

# An Overview of the Federal Employees' Group Life Insurance (FEGLI) Program

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The Federal Government established the FEGLI program on 28 Aug 54. It is the largest group life insurance program in the world, covering over 4 million Federal employees and retirees, as well as many of their family members.

FEGLI provides group term life insurance. As such, it does not build up any cash value or paid-up value. It consists of Basic life insurance coverage and 3 options. In most cases, if you are a new Federal employee, you are automatically covered by Basic life insurance and your payroll office deducts premiums from your paycheck unless you waive the coverage. You must have Basic insurance in order to elect any of the options. Unlike Basic, enrollment in Optional insurance is not automatic – you must take action to elect the options.

The cost of Basic insurance is shared between you and the Government. You pay 2/3 of the total cost and the Government pays 1/3. Your age does not affect the cost of Basic insurance. However, the Government does not contribute to the cost of Optional insurance -- you pay the full cost, which depends on your age.

## **Who is eligible to enroll?**

Most Federal employees, including part-time employees, are eligible to enroll in the FEGLI program. There are some exclusions, though, by law and regulation.

## **Who is excluded from coverage?**

Some of the exclusions, but not all, include employees serving on temporary appointments limited to one year or less or on intermittent appointments; employees whose annual pay is \$12 or less; and those paid on a contract, fee, or piecework basis. However, there are exceptions to the exclusions. For example, if a full or part-time temporary appointment, or an intermittent appointment, follows a position in which you were insured, with a break in service of no more than 3 days, you're eligible to continue FEGLI coverage (unless you completed 12 months in a nonpay status during the previous appointment). Also, temporary employees who receive a provisional appointment as defined in 5 CFR 316.403 are eligible for FEGLI coverage. There are other exclusions and exceptions. To see them all, we suggest you review the FEGLI Handbook on the Office of Personnel Management (OPM) website at <http://www.opm.gov/insure/life/handbook/eligibl1.htm>.

## **When does Basic life insurance coverage begin?**

Basic life insurance coverage is effective on the first day you enter in a pay and duty status unless you waive this coverage before the end of your first pay period. You may waive Basic at any time; the waiver will be effective at the end of the last day of the pay period in which you submit your waiver.

## **How much Basic life insurance can I have?**

Basic insurance is based on your annual basic rate of pay, rounded up to the nearest \$1,000, plus \$2,000. This is called the "Basic Insurance Amount (BIA)." FEGLI also offers an "Extra Benefit" to employees under age 45, at no additional cost. This Extra Benefit doubles the amount of Basic insurance payable if you are age 35 or younger. Beginning on your 36<sup>th</sup> birthday, the Extra Benefit decreases 10% each year until, at age 45, there is no Extra Benefit.

## **Is there a minimum Basic insurance amount?**

Yes. The minimum Basic Insurance Amount (BIA) is \$10,000. Any employee whose annual pay is less than \$8,000 has \$10,000 in Basic insurance.

**What types of Optional insurance are available, and how much coverage do they provide?**

There are 3 types of Optional insurance, but remember, you must be enrolled in Basic to be eligible to elect Optional coverage, and there is no Government contribution towards the cost of Optional insurance. The 3 types of Optional insurance are as follows:

- Option A – Standard. Provides \$10,000 coverage.
- Option B – Additional. Option B coverage comes in 1, 2, 3, 4, or 5 multiples of your annual basic rate of pay.
- Option C – Family. Option C insures your spouse for up to 5 multiples of \$5,000, and eligible children for up to 5 multiples of \$2,500.

**Is there a time limit for electing Optional insurance?**

New employees have 31 days from the date of appointment to an eligible position to elect Optional insurance. See the question “What if I want to change my life insurance coverage?” below for other chances to elect Optional insurance.

**When is Optional insurance effective?**

For new employees, Optional insurance is effective on the first day you are in a pay and duty status on or after the day you make the election. Pay and duty status means you are at work and not on annual or sick leave, excused absence, or otherwise absent from duty.

**How do I waive Basic insurance or elect Optional insurance coverage?**

Air Force-serviced appropriated fund civilian employees make their benefits elections via the Benefits and Entitlements Service Team (BEST) automated phone line or the Employee Benefits Information System (EBIS) web application. Instructions for accessing the BEST phone system and EBIS are located on the BEST website at <http://www.afpc.randolph.af.mil/dpc/best/automated.htm>. If you’ve never used these systems before, we recommend you read the instructions first.

- **BEST Phone System:** Within the United States, the BEST phone system can be reached by dialing toll-free 1-800-997-2378. Employees located within the San Antonio, Texas area must dial (commercial) 527-2378. Hearing impaired employees with access to TDD equipment will dial toll-free 1-800-382-0893, or (commercial) 565-2276 if located within the San Antonio area. Employees located overseas will dial a toll-free AT&T direct access number for the country in which located, then 800-997-2378. AT&T direct access numbers can be found at [http://www.att.com/international\\_business/dialing\\_guide/country-diallist.cgi](http://www.att.com/international_business/dialing_guide/country-diallist.cgi).
- **Employee Benefits Information System (EBIS):** EBIS can be accessed from the BEST Homepage (<http://www.afpc.randolph.af.mil/dpc/best/menu.htm>).

**Does the FEGLI Program offer accidental death and dismemberment (AD&D) insurance?**

Yes. AD&D is automatically included in Basic insurance at no additional cost, does not include the Extra Benefit, and is equal to your Basic Insurance Amount (BIA). AD&D is also automatically included in Option A at no additional cost, and is equal to \$10,000. AD&D insurance provides additional funds in the event of a fatal accident or an accident resulting in the loss of a limb or eyesight. For benefits to be paid, the death or loss must occur within 1 year after the accident and be a direct result of bodily injury sustained from that accident.

**What if I want to change my life insurance coverage?**

If you waived all insurance or did not elect any Optional coverage when you were first hired, or you simply want different coverage than you have now, you have three opportunities to make changes: an open enrollment, a physical exam, or a life event.

- **Open Enrollment.** An open enrollment is rare. If/when OPM announces a future open enrollment, we will provide information in the BEST Newsletter, your local base newspaper, and the BEST Homepage.
- **Physical Exam.** As long as at least one year has passed since the effective date of your last waiver of life insurance coverage, you may get a physical exam at your own expense via SF 2822, "Request for Life Insurance." If the Office of Federal Employees Group Life Insurance (OFEGLI) approves your request, we'll automatically enroll you in Basic insurance (unless you already have Basic). With a physical exam, you will be able to elect Option A and Option B coverage, or elect to increase your Option B multiples (up to a total of 5). You cannot elect or increase Option C-Family coverage by getting a physical exam.
- **Life Event.** If you already have Basic, you may elect Option B and/or C, or elect to increase your multiples of Option B and/or Option C based on a life event. Qualifying life events (QLE) are marriage, divorce, death of spouse, or acquiring an eligible child. The election must be made within 60 calendar days after the date of event, via the BEST phone system or EBIS. Make sure you keep documentation supporting the life event; you must provide same if we later request it. Failure to provide requested supporting documentation will result in your election being cancelled.

#### **How much does FEGLI cost?**

FEGLI premiums are withheld on a biweekly basis. Currently, Basic insurance costs 15 cents per \$1,000 of coverage. The cost of Optional insurance varies based on your age group and amount of coverage. Premium rates can be found on our FEGLI page at <http://www.afpc.randolph.af.mil/dpc/best/fegli.htm>.

#### **What happens to my life insurance if I enter a nonpay status?**

Generally, your coverage will continue, at no cost to you, up to 12 months in a nonpay status. The 12 months may be continuous or broken by periods of less than 4 consecutive months of pay status. Your coverage as an employee will terminate after 12 months of nonpay status, with the right to convert to a private policy. More information on your benefits while in a leave without pay (nonpay) status is contained in our brochure "Benefits Summary for Employees on Leave Without Pay," located on the BEST website at <http://www.afpc.randolph.af.mil/dpc/best/bestbrochures.htm>.

#### **Who gets the money after I die? Do I need to designate a beneficiary?**

If you have not assigned ownership of your benefits, and if there is no valid court order on file, benefits are paid in a particular order, set by law. First, to the beneficiary or beneficiaries you designated; second, if there is no such beneficiary, to your widow or widower; third, if none of these, to your child or children; fourth, if none of these, to your parents in equal shares or the entire amount to your surviving parent; fifth, if none of these, to the executor or administrator of your estate; sixth, if none of the above, to your other next of kin as determined under the laws of the State where you live. If you want payment to be made differently than specified, and you have not assigned your life insurance and a valid court order is not on file, you should designate a beneficiary. You can find a link to the Designation of Beneficiary form (SF 2823) at [http://www.afpc.randolph.af.mil/dpc/best/beneficiary\\_forms.htm](http://www.afpc.randolph.af.mil/dpc/best/beneficiary_forms.htm).

#### **When does life insurance stop?**

Life insurance (including AD&D coverage) as an employee stops on the earliest of the following dates:

- The date you separate from Federal service
- The end of a period of 12 months in nonpay status (although you may be eligible to continue coverage if in receipt of Workers' Compensation benefits). The 12 months may be continuous or broken by periods of less than 4 consecutive months of pay status.

- At the end of the last pay period life insurance premiums are withheld from your pay -- if we determine your pay will be insufficient to cover the withholdings for the next six months of more and you decide you do not want to pay these premiums directly.
- The end of the last day of the pay period in which you voluntarily elect, via the BEST phone line or EBIS, to cancel (waive) some or all life insurance.

**Am I entitled to a temporary extension of life insurance if my insurance stops?**

Unless you voluntarily cancelled your coverage, you will receive a 31 day temporary extension of coverage after your life insurance terminates. The temporary extension of coverage does not include AD&D insurance. During the 31 day extension, you may apply to convert to a private policy. See the FEGLI Handbook at [www.opm.gov/insure/life](http://www.opm.gov/insure/life) for more details.

**What happens to my life insurance after retirement?**

The retirement system will automatically continue your coverage after you retire if you retire on an immediate annuity and had such coverage for the 5 years of service immediately before the commencing date of your annuity, or all period(s) of service during which that coverage was available to you, if you do not convert the coverage to a private policy.

**Where can I find more information about the FEGLI program?**

Additional information is available under Life Insurance on the BEST Homepage (<http://www.afpc.randolph.af.mil/dpc/best/menu.htm>). Our Life Insurance page also contains links to the Office of Personnel Management (OPM) FEGLI Handbook, the FEGLI Program Booklet (RI 76-21), and OPM's FEGLI Homepage. Another good source of information is the BEST Newsletter, generally published every two months. To subscribe to the BEST Newsletter, go to the BEST Homepage and click on Newsletter Subscription Service. We also post new information monthly under "What's New?" on the BEST Homepage.

You may also call the BEST phone line and speak with a Benefits Counselor.